

105TH CONGRESS  
2D SESSION

# S. 1737

To amend the Internal Revenue Code of 1986 to provide a uniform application of the confidentiality privilege to taxpayer communications with federally authorized practitioners.

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## IN THE SENATE OF THE UNITED STATES

MARCH 10, 1998

Mr. MACK (for himself, Mr. KERREY, Mr. NICKLES, Mr. CONRAD, Mr. GRASSLEY, Ms. MOSELEY-BRAUN, Mr. BREAUX, Mr. LOTT, Mr. CRAIG, Mr. COVERDELL, Mr. McCONNELL, Mr. THURMOND, Mr. MURKOWSKI, Mr. BOND, Mr. LUGAR, Mr. ASHCROFT, Mr. DEWINE, and Mr. ABRAHAM) introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To amend the Internal Revenue Code of 1986 to provide a uniform application of the confidentiality privilege to taxpayer communications with federally authorized practitioners.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

### 3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Taxpayer Confidential-  
5 ity Act of 1998”.

1 **SEC. 2. UNIFORM APPLICATION OF CONFIDENTIALITY**  
 2 **PRIVILEGE TO TAXPAYER COMMUNICATIONS**  
 3 **WITH FEDERALLY AUTHORIZED PRACTITION-**  
 4 **ERS.**

5 (a) IN GENERAL.—Chapter 77 of the Internal Reve-  
 6 nue Code of 1986 (relating to miscellaneous provisions)  
 7 is amended by adding at the end the following new section:

8 **“SEC. 7525. UNIFORM APPLICATION OF CONFIDENTIALITY**  
 9 **PRIVILEGE TO TAXPAYER COMMUNICATIONS**  
 10 **WITH FEDERALLY AUTHORIZED PRACTITION-**  
 11 **ERS.**

12 “(a) GENERAL RULE.—With respect to tax advice,  
 13 the same common law protections of confidentiality which  
 14 apply to a communication between a taxpayer and an at-  
 15 torney shall also apply to a communication between a tax-  
 16 payer and any federally authorized tax practitioner if the  
 17 communication would be considered a privileged commu-  
 18 nication if it were between a taxpayer and an attorney.

19 “(b) LIMITATIONS.—Subsection (a) may only be as-  
 20 serted in—

21 “(1) noncriminal tax matters before the Inter-  
 22 nal Revenue Service, and

23 “(2) noncriminal proceedings in Federal courts  
 24 with respect to such matters.

25 “(c) FEDERALLY AUTHORIZED TAX PRACTI-  
 26 TIONER.—For purposes of this section, the term ‘federally

1 authorized tax practitioner’ means any individual who is  
 2 authorized under Federal law to practice before the Inter-  
 3 nal Revenue Service if such practice is subject to Federal  
 4 regulation under section 330 of title 31, United States  
 5 Code.”

6 (b) CONFORMING AMENDMENT.—The table of sec-  
 7 tions for such chapter 77 is amended by adding at the  
 8 end the following new item:

“Sec. 7525. Uniform application of confidentiality privilege to  
 taxpayer communications with federally authorized  
 practitioners.”

9 (c) EFFECTIVE DATE.—The amendments made by  
 10 this section shall take effect on the date of enactment of  
 11 this Act.

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